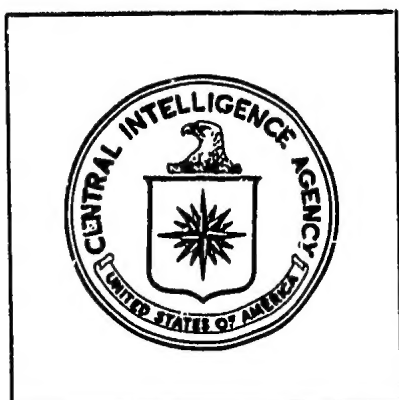


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STAFF NOTES:

Western Europe Canada International Organizations

NSA review completed

State Department review

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April 25, 1975

118

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25X1



WESTERN EUROPE -- CANADA -- INTERNATIONAL ORGANIZATIONS

25X1



CONTENTS

Preparations for the Seventh Special UNGA Session	1
Assessment of Political Opinions of Spanish Air Force Officers	5
Italy Finally Ratifies the NPT...	7
Dutch Brace for Demonstrations by Moluccans	9
Spain and the EC.	10

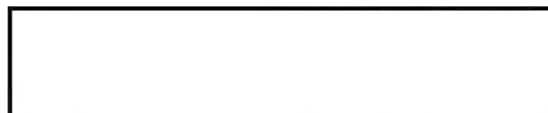
ANNEX

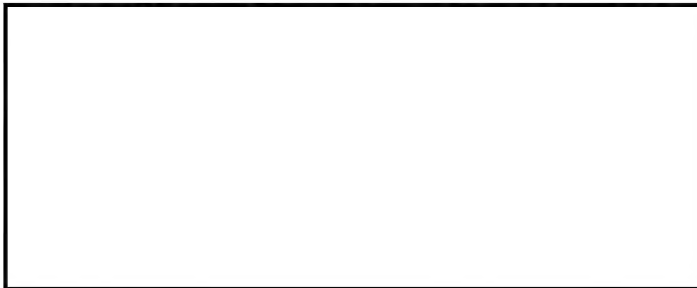
UNESCO Continues to Grapple with Israeli Issue	12
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-i-

April 25, 1975

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Preparations for the Seventh Special UNGA Session

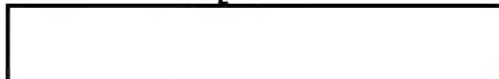
The Seventh Special Session of the UN General Assembly--scheduled to meet from September 1-12 in New York--will represent the culmination of efforts and initiatives by both the developed and developing countries during the past year to address those economic issues, raised by the oil embargo of 1973-1974, which were so dramatically highlighted at the Sixth Special Session of last spring. While little consensus has yet developed between the developed and developing countries, or even within these groups, regarding the ultimate objectives of the session, it is generally acknowledged by all participants that this meeting will mark a turning point in global economic relationships. Depending on its outcome, it could signal the creation of new cooperative arrangements between the developed and developing countries or solidify the confrontation between the two groups that has marked virtually every economic or development-related meeting held since last year.

The session was officially called--by a resolution of the 28th (1973) regular General Assembly--to discuss the problems of development and international economic cooperation. While questions relating to development--its financing, transfer of technology mechanisms, multilateral and bilateral aid programs, etc.--will undoubtedly be debated, the major discussions at the meeting are likely to focus on commodity arrangements and indexation - the process promoted by the LDCs (lesser developed countries) for tying the prices of the raw materials they export to the prices of the goods they import from the developed states. In addition the session will

April 25, 1975

25X1

-1-



consider possible structural reforms of the UN system as a whole. The Second UNIDO General Conference--which met in Lima in March--recommended the transformation of UNIDO into a full specialized agency and the Seventh Session may attempt to draft statutes for the new organization.

By virtue of his presidency of the last General Assembly (which does not officially terminate until the 30th GA begins), Algerian Foreign Minister Bouteflika--who so forcefully placed his stamp on the Sixth Special Session--will preside over this session as well. The Algerians have, if anything during the past year, strengthened their leadership of the non-aligned-Group of 77 movement and they show no signs of relinquishing their influence to more moderate members of these groups. Despite openly expressed dissatisfaction on the part of many nonaligned and LDCs with Algerian militance, high-handedness and just plain bad manners in conducting negotiations with the developed countries in almost any type of forum, there have as yet been no breaks from the non-aligned steamroller voting pattern, however much the Algerians antagonize their allies. Possibly because of the greater stakes represented by the outcome of this meeting, however, a concerted effort by the developed countries to seek compromise with the LDCs on those issues where prospects seem best for agreement could reap greater benefits than had previously been expected. In informal contacts many moderate LDCs have appealed to the developed countries to present alternatives to the expected Algerian initiatives.

While the LDCs may not agree on the tactics and negotiating positions of the more radical of their members, they are generally agreed that the so-called New International Economic

April 25, 1975

25X1

-2-

Order and the Charter of Economic Rights and Duties of States--both of which were steam-rollered through UN meetings last year despite the objections of the major industrialized states--should be considered as the starting point and fundamental basis for negotiations at the Seventh Session. Although recognizing that these documents do not have unanimous support, the majority of the LDCs, however, are anxious for real negotiations with the developed states at least on those areas which seem most susceptible to agreement. The Algerians, in their demands for full implementation of the Program of Action adopted at the Sixth Session, appear to be alone in considering the Seventh as a simple rehash of the earlier one.

The Seventh Session held its first preparatory meeting in New York in February. At that meeting the British presented their ideas on a comprehensive approach to the session's organization, one which they hope both the LDCs and developed countries can support. The British three-tier approach would divide the session's work into three categories:

- A short general statement of what is agreed to by the international community; reaffirming a "practical commitment to change and to constructive interdependence."
- A cataloguing of those areas where prospects are best for agreement; in this category the British include commodity problems, indexation and structural changes.
- A list of those topics on which immediate agreement is impossible.

The British and many developed countries would

April 25, 1975

25X1

-3-

25X1

prefer to avoid a general debate where high level ministers only repeat their country's usually well-known positions. Because only 20 meetings are allotted to the session altogether, these states feel the session's working groups or subcommittees can begin immediately to negotiate the significant points of contention and hopefully produce agreed texts on these issues. Depending on the progress in these working groups, the session's plenary could then assign those outstanding topics to the third list for consideration in other forums or at another time. The Algerians continue to insist, however, that eliminating the debate would be the equivalent of reducing the session to a meeting on the technical level and would ignore the overriding political consequences of these discussions. The prevalence of the Algerian viewpoint, even only on this point, could doom the session to just a rehash of the Sixth Session.

25X1

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April 25, 1975

25X1

-4-

25X1

Assessment of Political Opinions of Spanish Air
Force Officers

Political attitudes of Spanish Air Force junior officers outside the Madrid area are similar to those of their colleagues in Madrid, according to a recent survey by the US Defense Attache's office in Madrid. The junior officers, like the higher ranks in the Madrid area, are interested but not actively engaged in politics. The survey revealed no evidence to substantiate allegations heard since the military takeover in Portugal that the younger Spanish officers are forming associations.

These younger officers are, however, much freer in expressing political opinions than had previously been noted by US military observers in Spain. The officers contacted--mostly captains and majors--for the most part held similar views on the current situation in Spain. Most expressed dismay that Franco had not permanently relinquished his powers to Prince Juan Carlos last summer. They still respect Franco's past achievements, but they feel he is not providing Spain with the leadership it needs.

The younger officers believe that if a free referendum on a monarchy were held, most of the voters would turn it down. Although most of the officers reject the monarchy as a viable long-term institution, they will support it at least for a transition period. Yet there was ambivalence as to what would occur in Spain after Franco goes. Some officers maintained that nothing would occur while others predicted disorders that would require military intervention.

April 25, 1975

25X1

-5-

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Bread and butter issues of pay, promotions, and jobs are still primary concerns of Spanish officers. They consider themselves professionals and want increased access to the most modern weapons and military concepts. They are aware of the inadequacies of the older generals--veterans of the Civil War--who are unable to cope with new techniques, but the juniors still appear willing to wait until the older officers retire. The defense attache concludes that the younger officers would not organize a power bloc to advocate a program to initiate political change but they might coalesce to oppose such a development. The officers denied that the action of young officers in the Portuguese revolution could or would be duplicated in Spain. [REDACTED]

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April 25, 1975

25X1

-6-

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Italy Finally Ratifies the NPT

After stalling for years, Italy has completed ratification of the Nuclear Nonproliferation Treaty.

The Italians probably decided to ratify when it became apparent that they lacked support in the International Atomic Energy Agency for a legal maneuver that would have allowed them to continue receiving nuclear materials by ratifying the safeguards agreement required by the NPT, but not the treaty itself.

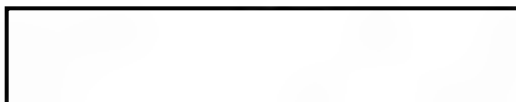
Continued access to nuclear materials is particularly important to Rome now that it is seriously considering a plan intended to reduce dependence on imported oil through the construction of 20 new nuclear power plants by 1985. Canada, one of Italy's major potential sources for uranium, recently made it known to the Italians that their request for supplies would not be considered until Rome ratified both the NPT and the safeguards agreement.

Rome must also have been influenced by its failure to get around the provision making ratification a prerequisite for full participation in the NPT review conference of May 5.

Rome had long resisted pressure from the US, the USSR, and many of its EC partners to submit the treaty to parliament for ratification. The Italian foreign ministry frequently claimed that the treaty would run into stiff opposition in the legislature.

April 25, 1975

25X1



The treaty's speedy passage through parliament (it was submitted on March 26 and approved on April 23), however, lends support to earlier indications that this was a smokescreen used by top foreign ministry professionals to conceal their own opposition.

There is no evidence that Italy wants to join the nuclear club, but these officials were clearly reluctant to give up the maneuverability they thought Rome retained by keeping the option open.

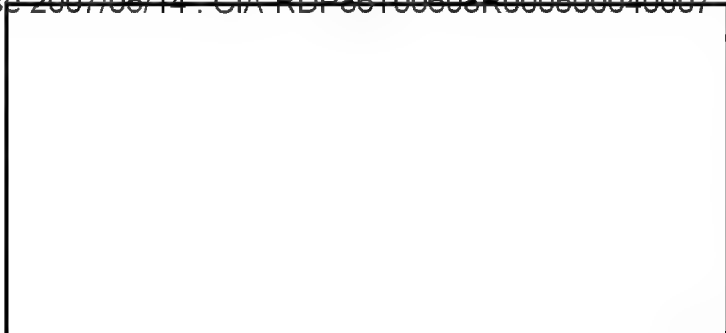
Italy's ratification opens the way for the remaining EURATOM states that have not deposited their instruments of ratification--the Federal Republic of Germany, Luxembourg, Belgium and the Netherlands--to do so. They had expressed reluctance to complete the process if Italy held out.

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April 25, 1975

25X1

-8-



Dutch Brace for Demonstrations by Moluccans

As many as 10,000 members of the South Moluccan community in the Netherlands are expected to demonstrate in The Hague today. These so-called "Black Dutchmen"--remnants of the Dutch colonial army that chose to live in the Netherlands when Indonesia became independent in 1950--are marking the 25th anniversary of their proclamation of independence for the "Republic of the South Moluccas."

Because of the increasingly militant character of Moluccan nationalism--there was a riotous demonstration in December and a plot to kidnap Queen Juliana earlier this month--Dutch authorities have strengthened security in the capital. Officials have refused to allow the Moluccans to organize a march, alerted the police, and added 320 paramilitary personnel to the city's police and security forces.

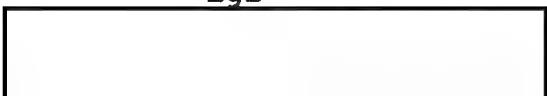
The Dutch government would like Jakarta to repatriate the more than 12,000 Moluccan soldiers and their families. Indonesia has long been reluctant to do so, and the more militant the Moluccans become the less chance the Dutch government has to get even a hearing in Jakarta.

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April 25, 1975

25X1





Spain and the EC

Both the EC and Madrid are showing increased interest in resolving differences that would enable the two sides to proceed with negotiations on a new association agreement--perhaps by early summer.

The EC countries, with an eye on Lisbon, would like to strengthen economic ties with Spain in preparation for the post-Franco era. Madrid for its part regards an agreement with the EC as a step toward Spain's goal of establishing stronger security and political ties with Western Europe.

The negotiations concern a new agreement to supersede one Spain negotiated in 1970 before Britain entered the EC. Under the EC offer, Britain would gradually raise its tariffs on imports of Spanish products to EC levels. At the same time, the EC would gradually reduce its tariffs on Spanish products. Consequently, Spanish negotiators have felt that Spain's benefit would be limited.

Britain's indecision about staying in the EC has added uncertainty concerning the consequences of the new agreement for Spain. Madrid probably hopes that the question may be clarified when the UK referendum on EC membership is held on June 5.

Spain has disliked being included, as one of a group including the Maghreb, Malta, and Israel, in EC policy toward the Mediterranean.

April 25, 1975

25X1

-10-





It has preferred to conceive its association agreement with the EC as a step toward eventual full membership. The current impasse between the EC and the Maghreb over terms of association may encourage Madrid to try to get its own talks underway.

Economically, the chief stumbling block in earlier talks was the EC's demand that Spain dismantle almost all its barriers to imports of EC industrial goods by 1980 in return for EC concessions on Spanish agriculture. Madrid argued for 1984. A compromise under consideration now would allow postponement of full Spanish concessions until 1982 or 1983.

Madrid's readiness for negotiations with the EC coincides with its newly expressed interest in establishing ties with NATO. During a recent negotiating session over renewal of US base rights, the Spaniards told the US that if Washington could not agree to a bilateral security guarantee Madrid would opt for a relationship with NATO that recognized Spain's contribution to Western defense. Foreign Minister Cortina plans to raise the issue with NATO ambassadors in Madrid next week.

Madrid is aware that membership in NATO is out of the question and that even an informal relationship will be hard to attain. Most NATO members--particularly Britain and the Benelux and Scandinavian states--remain opposed to forging any explicit links with Spain while Franco remains on stage.

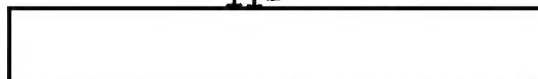
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April 25, 1975

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-11-



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ANNEX

UNESCO Continues to Grapple with
Israeli Issue

Arab-Israeli frictions are causing problems for the UN Educational, Scientific and Cultural Organization (UNESCO) and could imperil its immediate efficiency and possibly its future.

At its 18th General Conference in November, UNESCO passed two resolutions pertaining to Israel that many western countries decried as attempts to politicize the international organization and to shoulder Israel eventually out of the group's activities.

One resolution called on Israel to halt its archeological diggings in Jerusalem. It alleged that Israeli excavation work, particularly tunnels being dug along the Wailing Wall, had marred the historic city. Arab governments have charged Israeli archeologists with endangering monuments and altering the historical character of the Holy City, second only to Mecca in religious significance to Moslems.

The resolution also denounced the Israeli construction projects on Arab lands in and around Jerusalem. There have been eight similar resolutions passed by UNESCO since 1968.

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Israel has been unwilling to permit another

April 25, 1975

25X1

-12-

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inspection of the controversial excavations, suggesting it does not feel this resolution can be reversed or sufficiently softened to ease the reaction it caused.

As a result, Israel was denied its cultural grant from UNESCO which, last year, amounted to \$12,000.

In addition, the majority of the general conference, led by the Arab states and many communist countries, voted to deny Israel membership in the European regional group, making it the only country not belonging to one of UNESCO's five regional forums, where an increasing amount of organizational groundwork is accomplished. The goal of full participation by all members in at least one regional group is an important corollary to UNESCO's historic goal of universality. At the same conference, the US and Canada were voted into the European group.

The issue of regional membership may be susceptible to remedial action. Though Israel may not vote on advisory resolutions considered in official regional meetings of the five groups, it may observe such meetings and participate in UNESCO in every other way. Although Israel has insisted nothing less than repeal of the resolutions is acceptable, interested countries will probably work to neutralize the substantive effects of the resolutions.

Meanwhile, Western dissatisfaction with the resolutions on Israel will prove financially harmful to the organization. Congress voted to withhold US payment of its contribution, a quarter of UNESCO's budget, until the resolutions are rescinded. France and Switzerland cut their donations by ten percent. Possibly even more detrimental to the organization is the resultant

April 25, 1975

25X1

-13-

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boycott by hundreds of Western intellectuals and artists from UNESCO-sponsored activities. Representatives of many member states have expressed concern over the prospect of losing full US participation and are interested in undertaking some conciliatory action.

The UNESCO executive board is scheduled to meet May 5-22 and could take some steps to ease the problem. It may, for example, adopt a consensus resolution expressing general reaffirmation of the goals and principles of UNESCO. It also could take steps to initiate a system whereby regional admission would depend on the votes of the relevant regional group. Most of the West European countries voted to admit Israel into their group in November.

Until the Israeli issue can be resolved, UNESCO will have to cope with an unexpectedly small budget. Severe austerity measures have already been adopted, amounting to a 23 percent cutback in its program. In addition to non-payment of the US contribution, the organization must also contend with inflation and a decline in the dollar exchange rate. A combination of these factors will require UNESCO to request non-interest bearing loans from members and advance payments by no later than early 1976.

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Reports of Arab compensation the US and other countries' withholding money have not been confirmed and, as yet, UNESCO has received no additional Arab funds. [REDACTED]

April 25, 1975

25X1

-14-

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